

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

KAL FREIGHT INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-90614 (CML)

(Jointly Administered)

**NOTICE OF AUCTION RESULTS, OBJECTION DEADLINE, SALE HEARING, AND
PROPOSED SALE OF (I) REAL PROPERTY LOCATED IN SPRINGDALE,
ARKANSAS AND (II) REAL PROPERTY LOCATED IN STOCKTON, CALIFORNIA**

(Relates to Docket Nos. 888 and 1040)

PLEASE TAKE NOTICE THAT:

1. Bidding Procedures. On or about March 25, 2025, the Debtors filed motions to establish bidding procedures and authorize the sales of (i) real property located in Springdale, Arkansas (the “Arkansas Property”) and (ii) real property located in Stockton, California (the “Stockton Property”). *See* Docket Nos. 841 and 844 (collectively, the “Sale Motions”). The Arkansas Property and Stockton Property are collectively referenced herein as the “Properties.” The United States Bankruptcy Court for the Southern District of Texas (the “Court”) approved bidding procedures for both Properties at a hearing conducted on April 2, 2025, and the Court thereafter entered separate Orders establishing the bidding procedures applicable to each of the Properties. *See* Docket No. 888 (relating to Arkansas Property) and Docket No. 1040 (relating to Stockton Property) (collectively, the “Bidding Procedures Orders,” and the bidding procedures attached as Exhibit 1 to each Order, the “Bidding Procedures”).²

2. Bid Deadline. The Bid Deadline for each of the Properties was May 5, 2024, at 4:00 p.m. CDT, pursuant to the Bidding Procedures.

3. Proposed Sale of Arkansas Property. Three (3) Qualified Bids, including the Stalking Horse Purchase Agreement (Exhibit 2 to the Arkansas Bidding Procedures Order), were received for the Arkansas Property prior to the Bid Deadline. The Auction for the Arkansas Property was conducted on May 9, 2025, at 10:00 a.m. CDT, pursuant to and in accordance with the Bidding Procedures. The Liquidating Trustee, as Residual Real Property Agent under the Plan,

¹ The debtors in these chapter 11 cases (collectively, the “Debtors”), along with the last four digits of each Debtor’s federal tax identification numbers, are: Kal Freight Inc. (0249); Kal Aviation LLC (2600); Kal Partz Inc. (0139); Kal Trailers & Leasing Inc. (0840); and KVL Tires Inc. (0320).

² Capitalized terms used but not defined in this Notice shall have the meanings ascribed to them in the Bidding Procedures, or, if not defined in the Bidding Procedures, in the *Modified Fourth Amended and Restated Combined Disclosure Statement and Plan of Liquidation of Kal Freight Inc. and Its Affiliated Debtors Under Chapter 11 of the Bankruptcy Code* (together with all exhibits, supplements, and schedules thereto, the “Plan”), as confirmed by and attached as Exhibit A to the Court’s order dated April 17, 2025 [Docket No. 1023], unless otherwise noted herein.

has determined that (i) that the Qualified Bid of JARTCO Holdings, Inc. in the amount of **\$4,405,000.00** is the highest and best Qualified Bid received for the Arkansas Property, and (ii) the Qualified Bid of Mathias Shopping Centers, Inc. in the amount of **\$4,300,000.00** is the second-highest and second-best Qualified Bid received for the Arkansas Property. Accordingly, the Liquidating Trustee will seek approval of JARTCO Holdings, Inc.'s Qualified Bid and Mathias Shopping Centers, Inc.'s Qualified Bid as the Successful Bid and Backup Bid, respectively, for the Arkansas Property at the Sale Hearing.

4. Proposed Sale of Stockton Property. The Stalking Horse Purchase Agreement (Exhibit 2 to the Stockton Bidding Procedures Order) in the amount of **\$3,250,000.00** was the only Qualified Bid received for the Stockton Property; thus, an Auction was not held for the Stockton Property. *See* Docket No. 1050. Accordingly, the Liquidating Trustee will approval of the Stalking Horse Purchaser Agreement at the Sale Hearing.

5. Objection Deadline. The deadline for filing objections to the proposed sales of both Properties is **May 12, 2025, at 4:00 p.m. CDT.**

6. Sale Hearing. The hearing to consider the Sale Motions and the proposed sale of both Properties will be conducted on **May 15, 2025, at 1:00 p.m. CDT** (the "Sale Hearing") in Courtroom 401, 4th Floor, 515 Rusk, Houston, Texas 77002. Parties may participate in the Sale Hearing either in person or by an audio and video connection. Audio communication will be by use of the Court's dial-in facility, and video communication will be by use of the GoToMeeting platform, which can be accessed via the link below or through Judge Lopez's homepage.³

Telephonic Participation

Dial-in Telephone No: 832-917-1510

Conference Code: 590153

Video Participation

<https://www.gotomeet.me/JudgeLopez>

Audio connections by phone are required for all video participants.

7. Access to Documents. Copies of the Sale Motions and related documents in these cases may be obtained through PACER at <https://pacer.uscourts.gov/>, or free of charge through the Claims Agent's website at <https://cases.stretto.com/KALFreight/>.

³ <https://www.txs.uscourts.gov/page/united-states-bankruptcy-judge-christopher-m-lopez>.

DATED: May 9, 2025

Respectfully submitted,

KANE RUSSELL COLEMAN LOGAN PC

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CERTIFICATE OF SERVICE

This is to certify that on May 9, 2025, a true and correct copy of the foregoing document was filed with the Court and served via the Court's CM/ECF notification system upon all parties registered to receive such electronic notices in this case.

/s/ Kyle Woodard

Kyle Woodard